This record is a partial extract of the original cable. The full text of the original cable is not available.

241021Z Aug 01

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PAGE 01 HARARE 02508 01 OF 02 241030Z

ACTION AF-00

ACQ-00 AID-00 ACQ-00 CIAE-00 DODE-00 SRPP-00 TEDE-00 INR-00 LAB-01 VCE-00 TNFO LOG-00 NP-00 UTED-00 VC-00 LAB-01 DS-00 TEST-00 DSCC-00 DRL-02 NFAT-00 DCP-01 NSAE-00 IRM-00 /004W SAS-00

----15F97B 241031Z /38

FM AMEMBASSY HARARE TO SECSTATE WASHDC PRIORITY 9545

UNCLAS SECTION 01 OF 02 HARARE 002508

STPDTS

STATE FOR AF, AF/S, AND AF/EPS

USAID FOR AA/AFR, BHR/FFP, AFR/SA

E.O. 12958: N/A

TAGS: <u>EAID</u> <u>PREL</u> <u>PREL</u> <u>ZI</u>

SUBJECT: HUMANITARIAN ASSISTANCE: PRELIMINARY COMMENTS/ISSUES CONCERNING WORLD VISION PROPOSAL

- POST UNDERSTANDS URGENCY OF HUMANITARIAN SUMMARY. ASSISTANCE (HA); HOWEVER, WE DO NOT BELIEVE THAT THE WV PROPOSAL AS CURRENTLY PRESENTED TO BE A SUFFICIENT USG RESPONSE TO THE CRISIS. WE HAVE A NUMBER OF CONCERNS ELABORATED BELOW AND REQUEST ADVICE ON THE LIKELY LEVEL OF RESOURCE AVAILABILITY FROM THE USG.
- THIS MESSAGE PROVIDES PRELIMINARY COMMENTS ON SECOND **¶2.** UNCLASSIFIED
- AGE 02 HARARE 02508 01 OF 02 241030Z DRAFT OF WORLD VISION (WV) PROPOSAL. WE UNDERSTAND THAT PAGE 02 THERE IS A THIRD VERSION THAT WE HAVE NOT SEEN AND THAT WV EXPECTS TO SHORTLY SUBMIT A FOURTH VERSION. CONDUCTED A FULL REVIEW OF THE PROPOSAL AND THUS THIS MESSAGE SHOULD BE CONSIDERED AS INFORMAL AND PRELIMINARY.
- POST HAS SEVERAL COMMENTS AND CONCERNS, AND THESE INCLUDE:
- --WE CONCUR IN THE PROPOSED GEOGRAPHIC FOCUS IN MIDLANDS AND MATEBELELAND NORTH THAT TAKES INTO ACCOUNT POLITICAL AND ETHNIC BALANCE.
- -ALL DONORS HERE CONSIDER THE HUMANITARIAN CRISIS IN ZIMBABWE A COMPLEX MAN-MADE DISASTER CAUSED PARTIALLY BY VIOLENCE AND DISRUPTIONS IN THE COMMERCIAL FARMING SECTOR RESULTING IN THE DISPLACEMENT OF FARM WORKERS AND MOVEMENT OF COMMUNAL FARMERS TO RESETTLEMENT AREAS; INAPPROPRIATE GOZ BUDGET PRIORITIES; AND POOR MACRO-ECONOMIC POLICIES SUCH AS RECENT REGRESSION ON LIBERALIZING GRAIN MARKETS. THE IMPACT OF CYCLONE ELINE, AND INADEQUATE GOZ RESPONSES TO THIS PHENOMENON, AND THE PERENNIAL DROUGHT IN THE TARGET REGIONS HAVE FURTHER AGGRAVATED THE SITUATION. THE WV PROPOSAL FACTORS IN THE IMPACT OF THE DROUGHT BUT ONLY ACKNOWLEDGES (P. 4) THAT OPPORTUNITIES FOR INCOME GENERATION AS OPPOSED TO SUPPLEMENTAL FOOD DISTRIBUTION ARE "DWINDLING" DUE TO THE GENERAL ECONOMIC DECLINE.
- --A COMPLEX EMERGENCY REQUIRES RESPONSES IN ADDITION TO FOOD. IN THIS RESPECT, THE PROPOSAL IS INADEQUATE. WHITHERE ARE STATEMENTS REGARDING WV "PLANS" TO MOVE THE WHILE UNCLASSIFIED
- HARARE 02508 01 OF 02 241030Z ACTIVITY FROM GENERAL DISTRIBUTION OF FOOD TO "FOOD ASSISTED ACTIVITIES" IN YEARS TWO AND THREE (IF INDEED THE PROGRAM EXTENDS THAT LONG), THERE ARE NO DETAILS ABOUT WHAT WV PLANS TO DO IN THE WAY OF ALTERNATIVE DELIVERY MECHANISMS. WE ARE CONCERNED THAT ALTERNATIVES WILL NOT BE DEVELOPED BEFORE THE DIRECT FEEDING PROGRAM STARTS AND A CYCLE OF FOOD DISTRIBUTION WILL RESULT, ESPECIALLY IF GOZ LAND POLICY PROVOKES EVEN MORE SERIOUS FOOD SHORTAGES IN FOLLOWING YEARS. BECAUSE THE US HAS TAKEN THE LEAD IN CALLING FOR A DIFFERENT RESPONSE TO FOOD CRISES (OTHER THAN FREE FEEDING) WE COULD OPEN OURSELVES TO CRITICISM. IN ADDITION, BE SHORTSIGHTED TO APPROVE AN ACTIVITY THAT ONLY ADDRESSES FOOD FOR THE MOST NEEDY WITHOUT ADDRESSING THE NEED FOR INCOME GENERATION, WHICH CANNOT BE DONE UNTIL ALTERNATIVE ACTIVITIES ARE IDENTIFIED. AT A MINIMUM, WE WOULD LIKE TO SEE SOME ALTERNATIVE MECHANISMS, AND A TIME LINE TO INDICATE WHEN EXPERIMENTATION WITH THESE WILL BE INITIATED.

ALSO VIOLATES THE PRINCIPLES THAT USAID HARARE DEVELOPED AND PRESENTED TO STATE AND USAID WASHINGTON IN EARLY JULY. GIVEN THE POLITICAL SITUATION, DIRECT DISTRIBUTION IS THE APPROACH MOST VULNERABLE TO POLITICAL INTERFERENCE. WHILE WE RECOGNIZE THAT IT MAY BE IMPOSSIBLE TO PREVENT POLITICIZATION OF THE RESOURCE, GIVEN A LONG HISTORY OF PATRONAGE AND THE USE OF STATE RESOURCES TO BROADEN POLITICAL SUPPORT, WE BELIEVE THAT USING FOOD FOR WORK WILL GIVE BENEFICIARIES A SENSE THAT THEY HAVE EARNED THE RESOURCE.

--DESIGN PRINCIPLES ALSO CALLED FOR MONITORING BY REPUTABLE UNCLASSIFIED

PAGE 04 HARARE 02508 01 OF 02 241030Z ORGANIZATIONS TO DETERMINE NEUTRALITY OF DISTRIBUTION AND WHETHER THERE IS POLITICAL INTERFERENCE. THE PROPOSAL DOES NOT ADDRESS THIS IMPORTANT ISSUE.

--THE PROPOSAL ALSO DOES NOT ADDRESS THE PRINCIPLE OF RELYING ON COMMERCIAL MECHANISMS AND WORKING WITH THE PRIVATE SECTOR TO THE GREATEST EXTENT POSSIBLE. WHILE THE STATEMENTS IN THE PROPOSAL INDICATE A WILLINGNESS TO EXAMINE DISTRIBUTION ALTERNATIVES, POST FEARS THAT ONCE A DIRECT DISTRIBUTION PROGRAM COMMENCES, IT WILL BE VERY DIFFICULT, TO MOVE TO OTHER DISTRIBUTION MECHANISMS. EXPERIENCE WITH FEEDING PROGRAMS ELSEWHERE SUPPORTS THIS REASONING.

-- THERE IS NO MENTION IN THE PROPOSAL OF THE ROLE OF THE COMMUNITIES IN IDENTIFYING BENEFICIARIES AND USE OF THE RESOURCES. THE PROPOSAL DOES NOT DESCRIBE HOW WV WILL INTERACT WITH GOVERNMENT OR DESCRIBE THE ROLE OF THE GOZ IN SELECTING BENEFICIARIES.

--THE PROPOSAL DOES NOT ELABORATE ON PAST WV EXPERIENCE WITH DIRECT DISTRIBUTION IN ZIMBABWE OR ELSEWHERE. IT DOES NOT

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UNCLASSIFIED PTO0699

PAGE 01 HARARE 02508 02 OF 02 241031Z

ACTION AF-00

INFO LOG-00 NP-00 AID-00 ACQ-00 CIAE-00 DODE-00 SRPP-00 DS-00 UTED-00 VC-00 TEDE-00 INR-00 LAB-01 VCE-00 DCP-01 NSAE-00 IRM-00 TEST-00 DSCC-00 DRL-02 NFAT-00 SAS-00 /004W

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P 241021Z AUG 01 FM AMEMBASSY HARARE TO SECSTATE WASHDC PRIORITY 9546

UNCLAS SECTION 02 OF 02 HARARE 002508

SIPDIS

STATE FOR AF, AF/S, AND AF/EPS

USAID FOR AA/AFR, BHR/FFP, AFR/SA

E.O. 12958: N/A

TAGS: <u>EAID PREL PREL ZI</u>

SUBJECT: HUMANITARIAN ASSISTANCE: PRELIMINARY COMMENTS/ISSUES CONCERNING WORLD VISION PROPOSAL

DESCRIBE HOW OR BY WHOM FOOD WILL BE DISTRIBUTED.

--THE PROPOSAL IS MUTE ON THE ISSUE OF THE SECURITY ISSUES AND HOW IT WILL ADDRESS THEM. A KEY ASSUMPTION THAT "SECURITY REMAINS GOOD IN THE PROPOSED PROGRAM AREA" IS QUESTIONABLE. WE DO NOT THINK THAT THE SITUATION ON THE GROUND IS THAT CLEAR.

UNCLASSIFIED

PAGE 02 HARARE 02508 02 OF 02 241031Z
--WHILE THE PROPOSAL IDENTIFIES OTHER NGOS, INCLUDING
INDIGENOUS ONES, IN THE PROGRAM AREA, IT DOES NOT DESCRIBE
THEIR INVOLVEMENT OR COLLABORATION. USAID HAS CONSULTED
WITH A WIDE RANGE OF NGOS IN THE PROPOSED PROGRAM AREA AND
FOUND A HIGH DEGREE OF HISTORICAL COLLABORATION AND A
WILLINGNESS TO WORK TOGETHER AND SHARE RESOURCES. THE WV
PROPOSAL MAKES NO MENTION OF HOW IT WILL WORK WITH OTHERS.
MEANWHILE POST HAS INDICATED TO OTHER NGOS THAT WHILE WE
WOULD WORK THROUGH A US ORGANIZATION, WE WOULD EXPECT
COLLABORATION INCLUDING SHARED RESOURCES THAT WOULD ALLOW
OTHER NGOS TO PROVIDE ASSISTANCE IN COMMUNITIES WHERE WV IS
NOT PRESENT.

--THE PROGRAM MONITORING INDICATORS INCLUDE ONLY ONE "PEOPLE LEVEL" INDICATOR - NUMBER OF TARGETED BENEFICIARIES. ALL OTHER INDICATORS FOCUS ON TRAINING OF WV STAFF, COMPUTERIZATION OF THE DISTRIBUTION TRACKING SYSTEM, ETC. COMMODITY REPORTS WOULD BE SUBMITTED MONTHLY/QUARTERLY, ACCORDING TO THE PROPOSAL, BUT OTHER INDICATORS - STAFF

TRAINING, SUCCESS OF THE TRACKING SYSTEM -- WOULD ONLY BE AT THE PROJECT'S END.

--ECONOMIC INDICATORS CITED IN SECTION B (PAGE 4) ARE

--BELLMON ANALYSIS APPEARS INADEQUATE. WHILE WE ACKNOWLEDGE THAT THE WV PROPOSAL WOULD HAVE MINIMAL MARKET IMPACT, THERE IS NO ANALYSIS OF TOTAL NEEDS, MARKET ABILITY TO RESPOND TO THE IMPACT OF THE PROPOSED FOOD AID OR MIX OF COMMODITIES.

- 13. LIKE WASHINGTON, POST IS SEIZED WITH THE URGENCY OF UNCLASSIFIED
- PAGE 03 HARARE 02508 02 OF 02 241031Z
 THIS MATTER. NOTWITHSTANDING, GIVEN THE LIKELIHOOD THAT
 THIS MAY BE THE PRIMARY USG RESPONSE TO THE HUMANITARIAN
 CRISIS, IT IS ESSENTIAL THAT WE WORK WITH WV TO BE SURE THE
 PROPOSAL IS VIABLE AND APPROPRIATE. ALTERNATIVELY, WE COULD
 ENGAGE ANOTHER USPVO AUTHORIZED AS A COOPERATING SPONSOR FOR
 PL 480, OR WE SHOULD CONSIDER NOW WHAT WOULD BE NEEDED TO
 MONETIZE A PORTION OF THE FOOD AND ALLOW THE PRIVATE SECTOR
 TO IMPORT AND DISTRIBUTE, TO AVOID MARKET DISTORTIONS IN ANY
 FUTURE PROGRAM. WE ACKNOWLEDGE THAT THIS IS NOT FEASIBLE
 BEFORE THE END OF THIS FISCAL YEAR. WE NOTE BASED ON
 INFORMATION FROM USAID/BHR EXPERTS THAT WE CAN CALL FORWARD
 THE FOOD SHIPMENT WITHOUT AWARDING THE GRANT TO WV AT THIS
 TIME. IF ADDITIONAL RESOURCES ARE LIKELY TO BE MADE
 AVAILABLE, WE COULD CONSIDER THE WV PROPOSAL AS ONE ELEMENT
 OF OUR RESPONSE. HOWEVER, IT IS OUR UNDERSTANDING THAT
 RESOURCES ARE EXTREMELY LIMITED AND THAT THE PACKAGE
 PROPOSED BY WV IS LIKELY TO BE THE TOTAL AMOUNT OF RESOURCES
 USG CAN MAKE AVAILABLE.
- 14. ACTION REQUEST: USAID/BHR IS REQUESTED TO ADVISE WHETHER THE QUANTITIES (12,000 MT) AND MIX OF COMMODITIES IS LIKELY TO BE AVAILABLE AND WHETHER THE REQUEST FOR 202E FUNDING IS REASONABLE GIVEN RESOURCE AVAILABILITY. ARE INCREMENTAL RESOURCES BEYOND THOSE PROPOSED BY WV AVAILABLE FOR OTHER HA PROGRAMS? INCREASINGLY RELIABLE ESTIMATES ARE BEGINNING TO COALESCE AROUND THE 300,000 400,000 MT LEVEL FOR THE ANTICIPATED SHORTFALL, WHICH MIGHT INCLUDE A SET ASIDE PORTION FOR THE STRATEGIC GRAIN RESERVE FOR 2002.
- 15. POST APPRECIATES SUPPORT FROM DEPARTMENT AND USAID/BHR AND AFR/SA ON THIS HIGH PRIORITY MATTER.

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PAGE 04 HARARE 02508 02 OF 02 241031Z

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